serve Bank of India would be applicable to the existing deposits outstanding as on 27th July, 1991 also, and

(b) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) According to Reserve Bank of India (RBI), revisions of interest rate, whether upward or downward, is not made applicable to existing deposits. When a depositor places his funds with a bank in a term deposit, he enters into contract with the bank whereunder the bank is bound to pay rate of interest, as specified by RBI, during the term of the deposit. However, to enable the existing depositors to avail of the advantage of revised rate of interest, a facility exists whereby a depositor can pre-maturely withdraw the existing deposits for reinvesting with the same bank for a longer period than the unexpired period, in which case no penalty is levied. Thus, the latest revision of interest rate effective from 4-7-91 is applicable to fresh deposits and on renewal to maturing deposits.

Reassessment of M/s. ITC for Assessment Year 1984-85

1133. DR. BAPU KALDATE:
SHRIMATI KAMLA SINHA:
SHRI MOHAMMED AFZAL alias MEEM AFZAL:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 408 given in the Rajya Sabha on the 28th December, 1989 and state:

(a) whether the re-assessment proceedings pertaining to M/s. ITC Limited for the assessment year 1984-85 have been completed; and

(b) if so, what are the amounts due as on date and what is the position of the recovery of the dues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) For the Assessment Year 1984-85, no dues are outstanding against the company as on date.

Re-assessment of Income-Tax for the period 1981—87 of M/s. Godfrey Philips India Ltd.

1134. DR. BAPU KALDATE:
SHRI MOHAMMED AFZAL alias MEEM AFZAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that M/s. Godfrey Philips India Limited, Bombay had approached the Settlement Commission at Bombay against the demand for assessment years 1984-85, 1985-86 and 1986-87;

(b) if so, whether Central Board of Direct Taxes had directed the Chief Commissioner, Income-Tax (Central), Bombay to recover the amount due from the company by taking effective steps; and

(c) what is the latest position with regard to recoveries from the party?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) It is not true that M/s. Godfrey Philips India Ltd. have approached the Settlement Commission at Bombay against demand for the assessment years 1984-85, 1985-86 and 1986-87.

(b) No, Sir.

(c) Income-tax demand of Rs. 226.35 lakhs (including interest of Rs. 69.49 lakhs) is outstanding against the company. Out of it, demand of Rs. 228.33 lakhs relates to the assessment year 1988-89 and the company has filed an appeal against the assesssment for this year. However, the Commissioner of Income-tax has asked the company to pay demand to the extent of Rs. 153 lakhs in three monthly instalments.